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Healthy 1Q16 GDP growth seen in most Asean countries**Economic Update****Bank Indonesia maintains its benchmark interest rate unchanged**

Although global economic outlook has been clouded by slower growth momentum among the major economies (China, US, Euro area and Japan) as well as falling commodity prices, the recent economic releases for 1Q16 GDP growth for the some Asean countries did not disappoint market expectations. In particular, economic growth expansion in Malaysia, Singapore, and Thailand surprised slightly on the upside. Malaysia's GDP growth sustained its healthy growth of 4.2% yoy in 1Q16, albeit slower than 4.5% in 4Q15, while the advance estimate for Singapore's GDP, released last month, also outperformed by expanding 1.8% yoy compared to market expectation of 1.7%.

**ASEAN Weekly
Wrap**

This week's release also showed that Thailand's economic growth accelerated from 2.8% yoy in 4Q15 to 3.2% yoy in 1Q16, the fastest growth since 1Q13. Net export was the main contributor to growth, following a rebound in exports by +5.1% yoy (-3.3% in 4Q15), and a deeper contraction in import by 4.8% (-1.2% in 4Q15). However, domestic demand expanded at a more moderate pace of 3.9% yoy (4.8% in 4Q15), as private consumption growth slowed to 2.3% (2.6% in 4Q15) on lower disposable income for farmers following lower crop yield affected by El Nino dry weather.

On the other hand, Philippines' GDP rose by 6.9% yoy in 1Q16, in line with market expectation, while growth in 4Q15 was revised higher to 6.5%. The country's 1Q16 growth was the fastest in the region, outpacing China's 6.7% as well as Vietnam's 5.5%. Domestic demand remained the key driver of growth, where investment rose at a higher pace of 25.6% yoy (24.2% in 4Q15) supported by spending on durable equipment (36.6%) and construction (12%). Private consumption growth remained resilient at 7% (6.5% in 4Q15), driven by higher remittances from Filipinos abroad, while public consumption rose 9.9% yoy on higher election spending.

Separately, in Indonesia, exports growth fell for the 19th month, by 12.6% yoy in April, on lower exports of oil & gas (O&G) and non-O&G. Within the non-O&G category, exports of manufactured products fell by 5.8% yoy for the month, while mining exports fell 27.2%. However, as the country's import contraction deepened further to 14.6% yoy (-10.4% in March), April's trade balance widened to US\$667m. Bank Indonesia decided to maintain its benchmark interest rate at 6.75% for the second straight month.

Economic Research
(603) 2146 7540
alan.tan@affinhwang.com
yeeping.lim@affinhwang.com

Fig 1: ASEAN economic releases (13 May – 19 May 2016)

	AUG 2015	SEP 2015	OCT 2015	NOV 2015	DEC 2015	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	GENERAL CONSENSUS
INDONESIA											
Exports (%yoy)	-12.1	-17.6	-20.7	-18.0	-17.5	-20.9	-7.1	-13.4	-12.6	-	-10.9
Imports (%yoy)	-16.2	-25.6	-27.5	-18.0	-16.3	-17.0	-11.6	-10.4	-14.6	-	-8.7
Trade balance (US\$bn)	0.3	1.0	1.0	-0.4	-0.2	0.0	1.1	0.5	0.7	-	-
BI Reference Rate (%)	7.50	7.50	7.50	7.50	7.50	7.25	7.00	6.75	6.75	6.75	6.75
SINGAPORE											
NODX (%yoy)	-9.8	2.1	0.0	-3.4	-7.2	-10.1	2.0	-15.7	-7.9	-	-8.4
Real GDP (%yoy)	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	CONSENSUS
MALAYSIA	5.0	6.3	6.5	5.6	5.7	5.7	4.9	4.7	4.5	4.2	4.0
PHILIPPINES	6.1	5.6	6.8	5.7	6.7	5.0	5.9	6.2	6.5	6.9	6.9
THAILAND	0.5	-0.5	0.8	0.9	2.1	3.0	2.7	2.9	2.8	3.2	2.8

Source: All data from CEIC, consensus from Bloomberg

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Appendix I: ASEAN economic charts (13 May – 19 May 2016)

Chart 1: Regional GDP growth

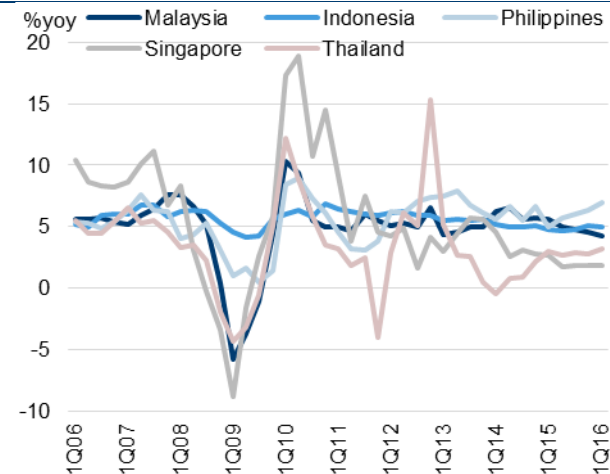


Chart 2: Malaysia's policy rate

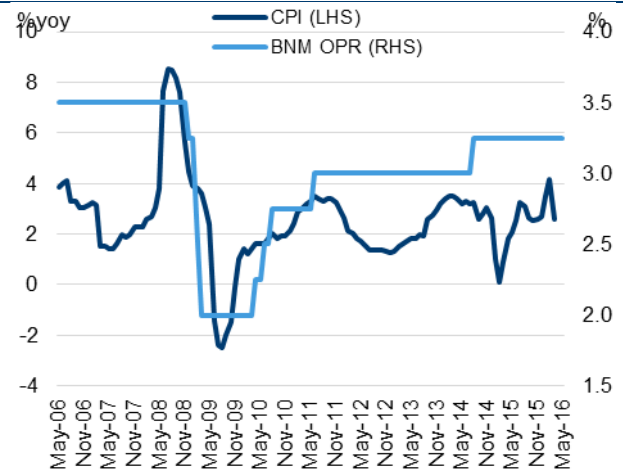


Chart 3: Singapore's exports

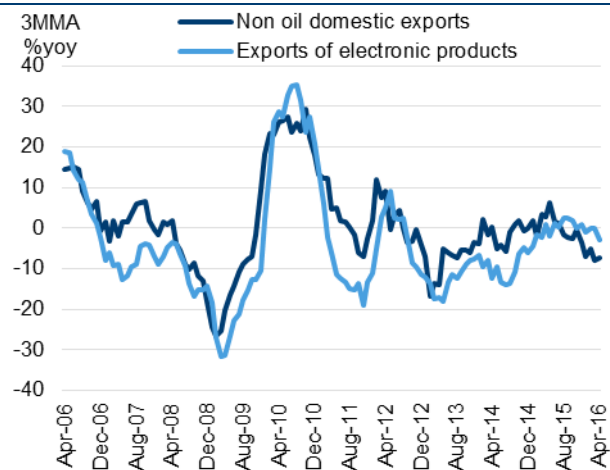


Chart 4: Singapore's retail sales

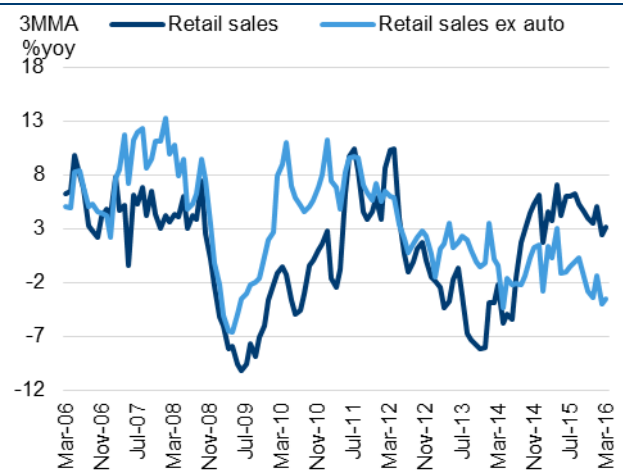


Chart 5: Indonesia's policy rate

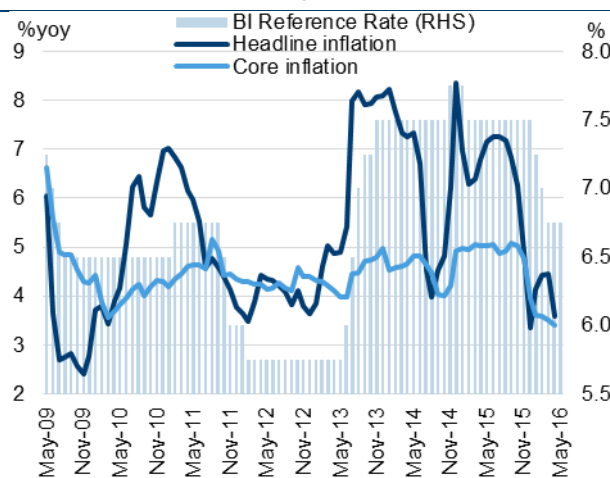
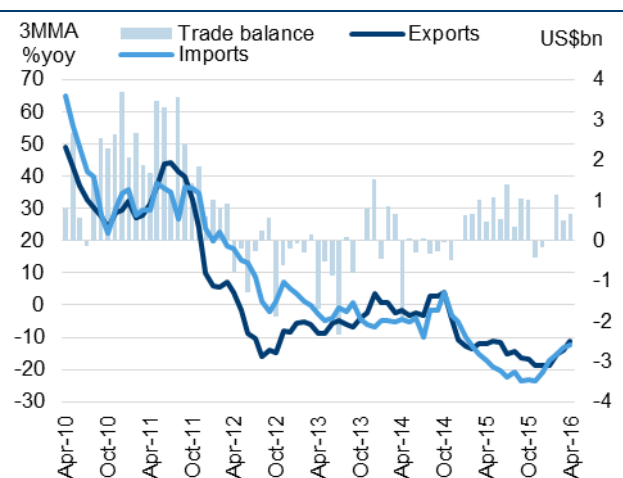


Chart 6: Indonesia's trade



Source: All data for charts sourced from CEIC and Bloomberg

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Appendix II: Upcoming ASEAN economic releases charts

Chart 7: Singapore's inflation

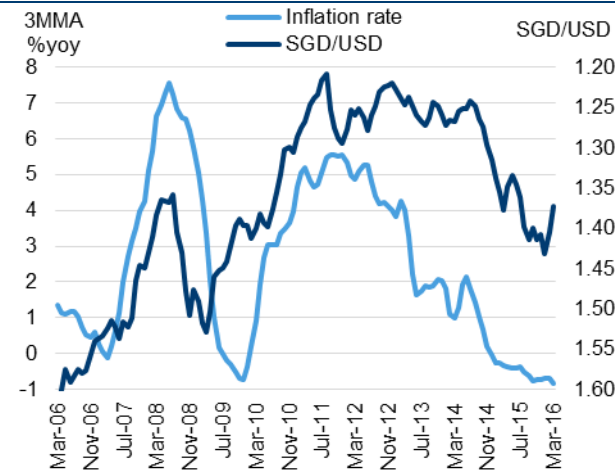


Chart 8: Malaysia's inflation

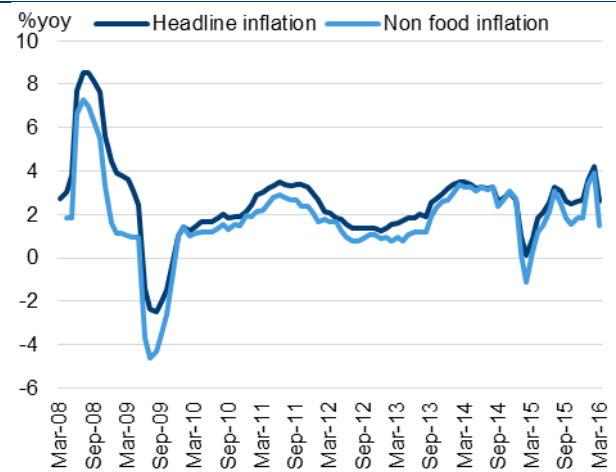


Chart 9: Philippines' trade

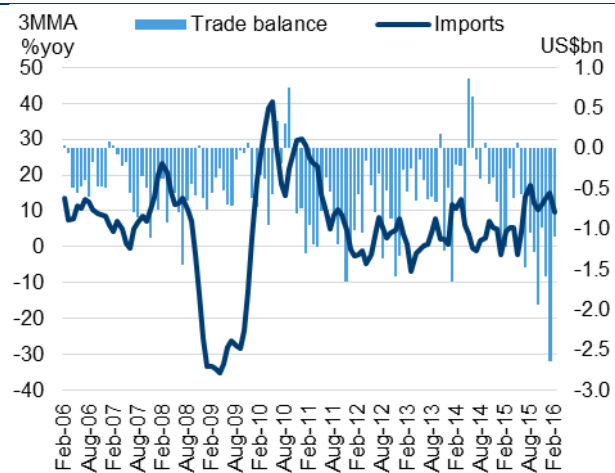


Chart 10: Thailand's trade

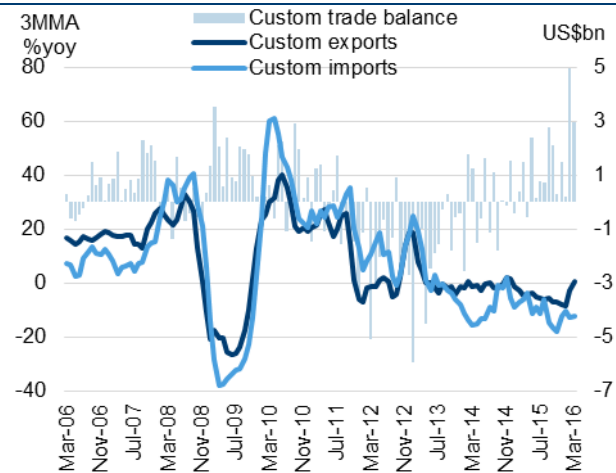


Chart 11: Thailand's production

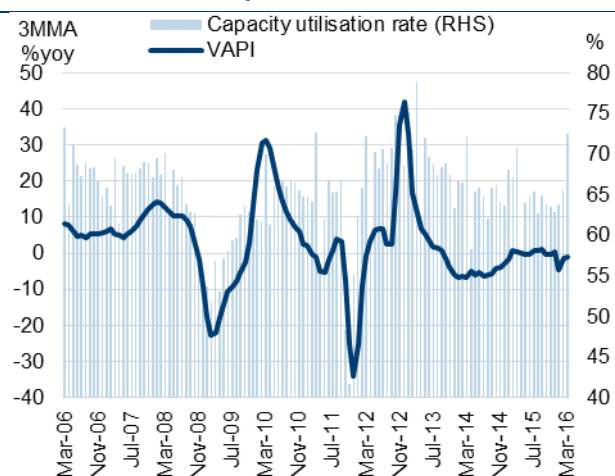
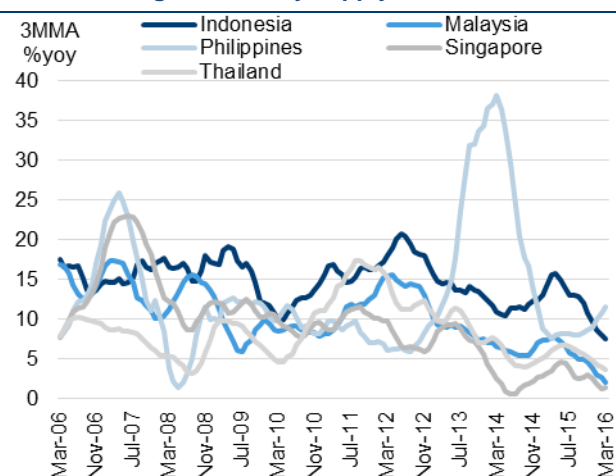


Chart 12: Regional money supply



Source: All data for charts sourced from CEIC and Bloomberg

Appendix III: Monthly ASEAN economic data trend

	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015	NOV 2015	DEC 2015	JAN 2016	FEB 2016	MAR 2016	APR 2016
MALAYSIA												
CPI (%yoy)	2.1	2.5	3.3	3.1	2.6	2.5	2.6	2.7	3.5	4.2	2.6	-
Core CPI (%yoy)	1.5	2.1	3.1	2.5	1.8	1.6	1.8	1.8	3.3	3.9	1.5	-
IPI (%yoy)	4.5	4.4	6.1	2.3	5.1	4.2	1.9	2.7	3.3	3.9	2.8	-
Exports (%yoy)	-6.6	5.0	3.5	4.1	8.8	16.7	6.3	1.4	-2.8	6.7	0.2	-
Imports (%yoy)	-7.1	-1.5	5.9	-6.1	9.6	-0.4	9.1	2.7	3.3	1.6	-5.5	-
Trade balance (US\$bn)	1.5	2.1	0.6	2.5	2.2	2.9	2.4	1.9	1.2	1.8	2.8	-
Foreign reserves (US\$bn)	106.4	105.5	96.7	94.7	93.3	94.0	94.6	95.3	95.5	95.6	97.0	97.0
INDONESIA												
CPI (%yoy)	7.1	7.3	7.3	7.2	6.8	6.2	4.9	3.4	4.1	4.4	4.4	3.6
Core CPI (%yoy)	5.0	5.0	4.9	4.9	5.1	5.0	4.8	4.0	3.6	3.6	3.5	3.4
IPI (%yoy)	2.4	5.0	4.4	5.7	2.0	6.2	6.6	1.5	1.5	6.8	4.1	-
Exports (%yoy)	-14.4	-12.4	-18.8	-12.1	-17.6	-20.7	-18.0	-17.5	-20.9	-7.1	-13.4	-12.6
Imports (%yoy)	-21.4	-17.3	-28.4	-16.2	-25.6	-27.5	-18.0	-16.3	-17.0	-11.6	-10.4	-14.6
Trade balance (US\$bn)	1.1	0.5	1.4	0.3	1.0	1.0	-0.4	-0.2	0.0	1.1	0.5	0.7
Foreign reserves (US\$bn)	110.8	108.0	107.6	105.3	101.7	100.7	100.2	105.9	102.1	104.5	107.5	107.7
PHILIPPINES												
CPI (%yoy)	1.6	1.2	0.8	0.6	0.4	0.4	1.1	1.5	1.3	0.9	1.1	-
Core CPI (%yoy)	2.2	2.0	1.9	1.6	1.4	1.5	1.8	2.1	1.8	1.5	1.5	-
IPI (%yoy)	-8.0	-7.9	-6.6	-5.8	-5.4	-6.3	-2.2	-3.1	25.8	5.6	1.9	-
Exports (%yoy)	-17.4	-1.8	-1.8	-6.3	-15.5	-10.8	-1.1	-3.0	-3.9	-4.5	-15.1	-
Imports (%yoy)	-13.4	22.6	23.0	5.7	8.2	16.9	10.1	-25.8	20.5	-5.6	-	-
Trade balance (US\$bn)	0.5	-0.6	-1.5	-1.0	-1.3	-1.9	-1.0	0.6	-2.6	-1.1	-	-
Foreign reserves (US\$bn)	80.4	80.6	80.3	80.2	80.5	81.1	80.2	80.7	80.7	81.9	83.0	83.5
SINGAPORE												
CPI (%yoy)	-0.4	-0.3	-0.4	-0.8	-0.6	-0.8	-0.8	-0.6	-0.6	-0.8	-1.0	-
IPI (%yoy)	-1.2	-2.7	-6.1	-4.7	-6.3	-3.3	-2.8	-11.9	0.1	-3.8	-0.5	-
Non oil domestic exports (%yoy)	-0.7	3.4	1.4	-9.8	2.1	0.0	-3.4	-7.2	-10.1	2.0	-15.7	-7.9
Electronic exports	-2.8	7.6	2.5	-2.7	5.7	-3.2	0.6	-0.3	-0.6	0.7	-9.1	-7.4
Imports (%yoy)	-19.6	-4.5	-9.2	-6.9	-11.0	-12.7	-5.8	-10.6	-13.7	2.2	-9.0	-12.0
Trade balance (US\$bn)	4.6	3.2	4.1	2.9	3.9	5.3	3.5	3.7	4.2	1.9	3.6	4.6
Foreign reserves (US\$bn)	250.2	253.3	250.1	250.4	251.6	249.8	247.1	247.7	244.9	244.0	246.2	250.4
THAILAND												
CPI (%yoy)	-1.3	-1.1	-1.0	-1.2	-1.1	-0.8	-1.0	-0.9	-0.5	-0.5	-0.5	-0.5
Core CPI (%yoy)	0.9	0.9	0.9	0.9	1.0	1.0	0.9	0.7	0.6	0.7	0.7	0.7
IPI (%yoy)	-0.1	-0.6	2.7	0.5	-0.3	-0.8	0.3	1.4	-3.5	-1.7	1.8	-
Exports (%yoy)	-5.0	-7.9	-3.6	-6.7	-5.5	-8.1	-7.4	-8.7	-8.9	10.3	1.3	-
Imports (%yoy)	-20.0	-0.3	-12.7	-4.8	-26.2	-18.2	-9.5	-9.2	-12.4	-16.8	-6.9	-
Trade balance (US\$bn)	2.4	0.2	0.8	0.7	2.8	2.1	0.3	1.5	0.2	5.0	3.0	-
Foreign reserves (US\$bn)	158.5	160.3	156.9	155.8	155.5	158.3	155.7	156.5	160.1	168.0	175.1	178.6
REAL GDP (%yoy)	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16
MALAYSIA	4.6	4.9	5.0	6.3	6.5	5.6	5.7	5.6	4.9	4.7	4.5	4.2
INDONESIA	5.6	5.5	5.6	5.1	5.0	5.0	5.0	4.7	4.7	4.7	5.0	4.9
PHILIPPINES	7.9	6.8	6.1	5.6	6.7	5.5	6.6	5.0	5.8	6.1	6.3	6.9
SINGAPORE	4.4	5.7	5.6	4.6	2.6	3.1	2.8	2.7	1.7	1.8	1.8	1.8
THAILAND	2.6	2.5	0.5	-0.5	0.8	0.9	2.1	3.0	2.7	2.9	2.8	3.2

Source: Bloomberg, CEIC

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Appendix IV: ASEAN Economic Calendar for May 2016

May 2016					
Monday	Tuesday	Wednesday	Thursday	Friday	
2	3	4	5	6	
TH Apr. CPI	MY Apr. Nikkei PMI	TH Apr. 29 Reserves	SG Apr. Nikkei PMI	MY Mar. Trade	
IS Apr. Nikkei PMI	TH Apr. Consumer confidence	ID 1Q16 GDP	PH Apr. CPI	MY Apr.29 Reserves	
ID Apr. CPI				PH Apr. Reserves	
ID Apr. Consumer confidence					
9	10	11	12	13	
SG Apr. Reserves	ID Apr. reserves	TH MPC Meeting	TH Apr. Consumer confidence	TH May 4 Reserves	
		PH Mar. Exports	MY Apr. IPI	MY 1Q16 GDP	
			MY Apr. Manufacturing sales	SG Mar. Retail sales	
			PH MPC Meeting		
16	17	18	19	20	
TH 1Q16 GDP	SG Apr. NODX		TH May 13 Reserves	MY May 13 Reserves	
ID Apr. Trade			MY MPC Meeting	MY Apr. CPI	
			ID MPC Meeting		
			SG 1Q16 GDP		
			PH 1Q16 GDP		
23	24	25	26	27	
SG Apr. CPI	TH Apr. Custom trade	PH Mar. Trade	ID Apr. Money supply	TH May 19 Reserves	
			SG Apr. Money supply		
			SG Apr. IPI		
30	31				
TH Apr. Manufacturing production	MY Apr. Money supply				
	PH Apr. Money supply				
TH Apr. Capacity utilization					

ID=Indonesia, MY=Malaysia, PH=Philippines, SG=Singapore, TH=Thailand

Dates for indicators are subject to change

Source: Bloomberg

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BUY	Total return is expected to exceed +10% over a 12-month period
HOLD	Total return is expected to be between -5% and +10% over a 12-month period
SELL	Total return is expected to be below -5% over a 12-month period
NOT RATED	Affin Hwang Investment Bank Berhad does not provide research coverage or rating for this company. Report is intended as information only and not as a recommendation

The total expected return is defined as the percentage upside/downside to our target price plus the net dividend yield over the next 12 months.

OVERWEIGHT	Industry, as defined by the analyst's coverage universe, is expected to outperform the KLCI benchmark over the next 12 months
NEUTRAL	Industry, as defined by the analyst's coverage universe, is expected to perform inline with the KLCI benchmark over the next 12 months
UNDERWEIGHT	Industry, as defined by the analyst's coverage universe is expected to under-perform the KLCI benchmark over the next 12 months

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 (formerly known as HwangDBS Investment Bank Berhad)
 A Participating Organisation of Bursa Malaysia Securities Bhd
 Chulan Tower Branch,
 3rd Floor, Chulan Tower,
 No 3, Jalan Conlay,
 50450 Kuala Lumpur.
www.affinhwang.com
 Email : research@affinhwang.com
 Tel : + 603 2143 8668
 Fax : + 603 2145 3005